

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN  
AT LAW AND IN ADMIRALTY

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 18-CV-1195

APPROXIMATELY \$177,566.32 IN UNITED  
STATES CURRENCY FROM U.S. BANK  
ACCOUNTY ENDING IN 6229,

Defendant.

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**NEWTEK SMALL BUSINESS FINANCE, LLC'S ANSWER  
TO VERIFIED COMPLAINT FOR CIVIL FORFEITURE IN REM**

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Newtek Small Business Finance, LLC ("Newtek") by its attorneys, Kohner, Mann & Kailas, S.C., hereby submits its Answer to The United States of America's Verified Complaint for Civil Forfeiture in Rem (the "Complaint"), relating to approximately \$177,566.32 in United States Currency from U.S. Bank Account ending in 6229 (the "Property"), as follows:

1. Newtek admits paragraph 1 of the Complaint.
2. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 2 and therefore denies same.
3. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 3 and therefore denies same.
4. Newtek admits paragraph 4 of the Complaint.
5. Newtek admits paragraph 5 of the Complaint.
6. Newtek admits paragraph 6 of the Complaint.

7. Newtek admits paragraph 7 of the Complaint.

8. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 8 and therefore denies same.

9. Newtek admits paragraph 9 of the Complaint.

10. Newtek admits paragraph 10 of the Complaint.

11. Newtek admits paragraph 11 of the Complaint.

12. Newtek admits paragraph 12 of the Complaint.

13. Newtek admits paragraph 13 of the Complaint.

14. Newtek admits paragraph 14 of the Complaint.

15. Newtek admits paragraph 15 of the Complaint.

16. Newtek admits paragraph 16 of the Complaint.

17. Newtek admits paragraph 17 of the Complaint.

18. Newtek admits paragraph 18 of the Complaint.

19. Newtek denies paragraph 19 of the Complaint, and Newtek affirmatively alleges that its headquarters is in Lake Success, New York.

20. Newtek admits paragraph 20 of the Complaint.

21. Newtek admits paragraph 21 of the Complaint.

22. Newtek admits paragraph 22 of the Complaint.

23. Newtek admits paragraph 23 of the Complaint.

24. Newtek admits paragraph 24 of the Complaint.

25. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 25 and therefore denies same.

26. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 26 and therefore denies same.

27. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 27 and therefore denies same.

28. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 28 and therefore denies same.

29. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 29 and therefore denies same.

30. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 30 and therefore denies same.

31. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 31 and therefore denies same.

32. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 32 and therefore denies same.

33. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 33 and therefore denies same.

34. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 34 and therefore denies same.

35. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 35 and therefore denies same.

36. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 36 and therefore denies same.

37. Newtek admits paragraph 37 of the Complaint.

38. Newtek admits paragraph 38 of the Complaint.

39. Newtek admits paragraph 39 of the Complaint.

40. Newtek admits paragraph 40 of the Complaint.

41. Answering paragraph 41 of the Complaint, Newtek believes the email referenced in paragraph 41(A) was dated July 7, 2017, and admits that the email referenced in paragraph 41(B) was sent on July 14, 2017. Newtek further affirmatively alleges that on July 13, 2017, an additional email was sent to Schaetzel requesting a further update on Schaetzel's email response referenced in paragraph 40 of the Complaint.

42. Newtek admits paragraph 42 of the Complaint, subject to the clarifications set forth in paragraph 41 above.

43. Answering paragraph 43 of the Complaint, Newtek alleges that the G.P. email referenced therein was sent on July 18, 2017, but that Schaetzel responded via email on July 19, 2017. Newtek admits the remaining allegations of paragraph 43.

44. Newtek admits paragraph 44 of the Complaint.

45. Newtek admits paragraph 45 of the Complaint.

46. Newtek admits paragraph 46 of the Complaint.

47. Newtek admits paragraph 47 of the Complaint.

48. Newtek admits paragraph 48 of the Complaint.

49. Newtek admits paragraph 49 of the Complaint.

50. Newtek admits paragraph 50 of the Complaint.

51. Newtek admits paragraph 51 of the Complaint.

52. Newtek admits paragraph 52 of the Complaint.

53. Newtek admits paragraph 53 of the Complaint.

54. Newtek admits paragraph 54 of the Complaint.

55. Newtek admits paragraph 55 of the Complaint.

56. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 56 and therefore denies same.

57. Newtek admits paragraph 57 of the Complaint.

58. Newtek admits paragraph 58 of the Complaint.

59. Newtek denies paragraph 59 of the Complaint. Upon information and belief, Newtek believes the amount owed to it is greater than, and the amount Qicbid was entitled to retain is less than, the amounts stated in paragraph 59.

60. Newtek denies paragraph 60 of the Complaint. Upon information and belief, Newtek believes the amount owed to it is greater than, and the amount Qicbid was entitled to retain is less than, the amounts stated in paragraph 60.

61. Answering paragraph 61, Newtek admits that Qicbid was obligated to pay it amounts owed by July 15, 2017, but denies the amount stated is the correct amount.

62. Answering paragraph 62 of the Complaint, Newtek admits Schaetzel engaged in a scheme to defraud Newtek, but Newtek is without knowledge or information sufficient to form a belief as to accuracy of the amounts stated in paragraph 62 and therefore denies the same.

63. Newtek admits paragraph 63 of the Complaint.

64. Newtek admits paragraph 64 of the Complaint.

65. Newtek admits the allegations of paragraph 65, except that it denies the amount stated is the correct amount Qicbid was entitled to retain from the auction proceeds. Newtek is without knowledge or information sufficient to form a belief as to correct amount at this time.

66. Newtek admits the allegations of paragraph 66, except that it denies the amount stated is the correct amount Qicbid owed to Newtek under the Contract. Newtek is without knowledge or information sufficient to form a belief as to correct amount at this time.

67. Newtek admits paragraph 67 of the Complaint.

68. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 68 and therefore denies same.

69. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 69 and therefore denies same.

70. Newtek admits paragraph 70 of the Complaint.

71. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 71 and therefore denies same.

72. Newtek admits paragraph 72 of the Complaint.

73. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 73 and therefore denies same.

74. Newtek admits paragraph 74 of the Complaint.

75. Newtek admits paragraph 75 of the Complaint.

76. Newtek admits paragraph 76 of the Complaint.

77. Newtek without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 77 and therefore denies same.

78. Newtek admits paragraph 78 of the Complaint.

79. Answering paragraph 79, Newtek is without knowledge or information sufficient to form a belief as to the truth of the allegations of subparagraphs B and C of paragraph 79 and

therefore denies same. Newtek admits the remaining allegations of paragraph 79 of the Complaint.

80. Newtek admits paragraph 80 of the Complaint.

81. Answering paragraph 81, Newtek asserts that this paragraph does not contain any allegations to which a response is required. Newtek understand that the warrant has been issued and the plaintiff has executed the warrant upon the Property.

82. Answering paragraph 82, Newtek hereby incorporates all of its responses set forth above.

83. Answering paragraph 83 of the Complaint, Newtek hereby incorporates it claim to the Property previously filed in this matter on September 6, 2018, at docket no. 19 as if fully set forth herein (the "Newtek Claim").

84. Newtek hereby denies all other allegations of the Complaint not specifically admitted herein.

WHEREFORE, Newtek requests that Court adjudicate the Complaint and the Newtek Claim, and all other claims to the Property, according to law, and grant such other and further relief to Newtek as the Court may deem just and equitable, together with costs and disbursements of this action.

Dated: September 25, 2018.

KOHNER, MANN & KAILAS, S.C.  
Attorneys for Newtek Small Business Finance, LLC

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